

Congress of the United States
House of Representatives
Washington, DC 20515

April 18, 2022

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Ave SW
Washington, DC 20201

Dear Secretary Becerra:

We are writing to request that the Department of Health and Human Services (HHS) and the Biden Administration take action to protect Americans from short-term, limited-duration insurance (STLDI) plans that fail to offer comprehensive health care coverage, commonly known as “junk plans.” Specifically, we urge you to reverse the final rule issued by the previous administration that expanded STLDI and restore STLDI to its intended purpose as short-term, temporary coverage.

On January 28th, 2021, President Biden signed Executive Order 14009 aimed at rolling back efforts to undermine the Affordable Care Act (ACA) and making high-quality health care accessible and affordable for every American. Congress and the Biden Administration have since made substantial progress toward achieving that goal. The American Rescue Plan Act (ARPA) increased the generosity of ACA premium tax credits and made millions of additional consumers immediately eligible for those credits. Under provisions in ARPA, an individual will pay no more than 8.5% of their income in premiums for a benchmark plan, including approximately 3.5 million Americans with incomes above 400% of the federal poverty level who had previously been ineligible for premium subsidies. Eligible consumers with incomes below 150% of the federal poverty level, an estimated 5.1 million Americans, can select a benchmark plan with no premiums.¹ When combined with an extended 2021 Special Enrollment Period and active promotion of the 2022 Open Enrollment Period, Americans had more time to find a plan with lower premiums through the Marketplace.

These efforts have helped millions of Americans find more affordable health insurance. According to recent enrollment data, 14.5 million Americans selected health insurance coverage through the Marketplace for 2022—including nearly 6 million new consumers.² Those who enrolled saved, on average, \$800 per person in premiums this past year.³ We are proud to have

¹ <https://www.kff.org/health-reform/issue-brief/how-the-american-rescue-plan-act-affects-subsidies-for-marketplace-shoppers-and-people-who-are-uninsured/>

² <https://www.cms.gov/files/document/state-anniversary.pdf>

³ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/10/during-week-of-anniversary-of-a-american-rescue-plan-biden-harris-administration-highlights-health-insurance-subsidies-that-promoted-critical-increases-in-enrollment-and-cost-savings/>

helped deliver real savings for working families seeking to budget for health insurance, child care, and other household essentials as part of the American Rescue Plan.

However, the expansion of STLDI undertaken by the previous administration threatens to undermine these hard-fought efforts. Under a final rule issued in August 2018, the STLDI plan duration limit was extended from 90 days to up to 364 days, including an option to renew coverage for up to 3 years. Crucially, STLDI plans do not have to comply with consumer protections included in the ACA: they may opt not to cover all ten essential health benefits, include medical underwriting, deny coverage for pre-existing conditions, charge higher cost-sharing amounts, and impose lifetime limits. One analysis of STLDI plans found that 43% of plans surveyed failed to cover mental health services, 71% of plans did not cover outpatient prescription drugs, and no plans covered maternity care.

While STLDI plans serve a purpose for those who need temporary coverage, such as workers transitioning between jobs who do not elect COBRA, they are not comprehensive health care coverage, and it is our constituents who suffer from the lack of proper guardrails on STLDI plans. Individuals looking for temporary health insurance are often enticed by the cheaper premiums these plans offer, only to find themselves with inadequate coverage when they need care. The financial consequences for consumers can be significant. In one case reported by NPR, Sam Bloechl, a 31-year-old man diagnosed with stage 4 non-Hodgkin's lymphoma, was left with bills totaling over \$800,000 after his short-term health insurance plan denied his care, citing a previous visit to a chiropractor as evidence of a pre-existing condition.⁴

Junk plans pose clear risks to consumers, undermine the strength of the ACA, and are incompatible with the goal of making affordable, high-quality health insurance accessible to all Americans. We strongly urge HHS to take overdue action to reinstate the 90-day limit on STLDI plans, curtail the ability to renew STLDI plans, and redouble efforts to protect consumers from being directed toward STLDI when they're searching for traditional health insurance plans.

Sincerely,



Cindy Axne
Member of Congress

/s/

Colin Allred
Member of Congress

/s/

Karen Bass
Member of Congress

/s/

Nanette Diaz Barragán
Member of Congress

/s/

Lisa Blunt Rochester
Member of Congress

⁴ <https://www.npr.org/sections/health-shots/2020/12/03/941620737/think-your-health-care-costs-are-covered-beware-the-junk-insurance-plan>

/s/
Tony Cárdenas
Member of Congress

/s/
Sean Casten
Member of Congress

/s/
Kathy Castor
Member of Congress

/s/
Judy Chu
Member of Congress

/s/
Angie Craig
Member of Congress

/s/
Jason Crow
Member of Congress

/s/
Danny K. Davis
Member of Congress

/s/
Diana DeGette
Member of Congress

/s/
Mark DeSaulnier
Member of Congress

/s/
Lois Frankel
Member of Congress

/s/
John Garamendi
Member of Congress

/s/
Jesús G. "Chuy" García
Member of Congress

/s/
Raúl M. Grijalva
Member of Congress

/s/
Jahana Hayes
Member of Congress

/s/
Jared Huffman
Member of Congress

/s/
Ann McLane Kuster
Member of Congress

/s/
John B. Larson
Member of Congress

/s/
Al Lawson
Member of Congress

/s/
Barbara Lee
Member of Congress

/s/
Lucy McBath
Member of Congress

/s/
James P. McGovern
Member of Congress

/s/
Gwen Moore
Member of Congress

/s/
Grace F. Napolitano
Member of Congress

/s/
Bobby L. Rush
Member of Congress

/s/
Marie Newman
Member of Congress

/s/
Linda T. Sánchez
Member of Congress

/s/
Eleanor Holmes Norton
Member of Congress

/s/
John P. Sarbanes
Member of Congress

/s/
Jimmy Panetta
Member of Congress

/s/
Jan Schakowsky
Member of Congress

/s/
Katie Porter
Member of Congress

/s/
Haley Stevens
Member of Congress

/s/
Mike Quigley
Member of Congress

/s/
Lauren Underwood
Member of Congress

/s/
Jamie Raskin
Member of Congress

/s/
Peter Welch
Member of Congress

/s/
Nikema Williams
Member of Congress

Cc: The Honorable Martin J. Walsh, Secretary of Labor
The Honorable Janet L. Yellen, Secretary of the Treasury